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## *Senate*

### **FHA MULTIFAMILY HOUSING MORTGAGE LOAN LIMIT ADJUSTMENT ACT OF 2001**

Mr. CARPER. Mr. President, I am very pleased to join today with my distinguished colleague from New Jersey to introduce the FHA Multifamily Housing Mortgage Loan Limit Adjustment Act of 2001.

A recent report published by the National Housing Conference's Center for Housing Policy found that in 1997, nearly 14 million families either lived in substandard housing or spent more than half of their monthly income on housing costs. This affordable housing shortage also comes at a time of limited resources. Thus, we have to find the best use of each dollar at our disposal, as well as the most effective use of existing Federal programs to stimulate new production and substantial rehabilitation.

The Federal Housing Administration's, FHA, multifamily mortgage insurance is an important financing device for housing production. Unfortunately, production through this public/private partnership has been low in recent years. One of the reasons for FHA's absence from the rental housing

market is that the multifamily loan limits have not been increased since 1992. While the annual Construction Cost Index, published by the Census Bureau, has increased over 23 percent since 1992, FHA's multifamily loan limits have remained static.

These rising construction costs have contributed to FHA's inability to be a significant participant in the production of multifamily housing. Increasing these loan limits by 25 percent, as this legislation does, is something Congress can do today to address immediately the shortage is affordable rental housing. This bill modifies a current federal program, FHA multifamily insurance, to make that program more effective. Importantly, this legislation also indexes the loan limits to the Annual Construction Cost Index.

I ask my colleagues to join with Senator CORZINE and me to increase these multifamily loan limits so that more working families will have access to affordable rental housing.